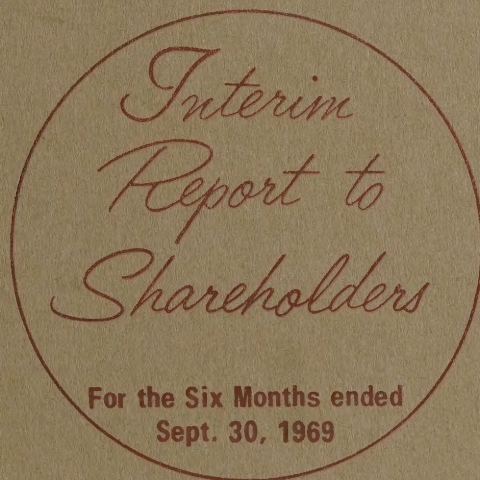


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MAGNASONIC CANADA LTD.
4980 Buchan St., Montreal 308, Quebec.



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INTERIM REPORT TO Magnasonic Canada Ltd. Shareholders

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1969

The directors take pleasure in submitting the first interim report to shareholders and a statement of earnings for the six months ended September 30, 1969, with comparative results for the six months ended September 30, 1968.

Net earnings amounted to \$209,564 compared with \$154,276 in the same period of 1968. This represents an increase of 36% over the previous year.

Revenues were \$6,510,099 for the six months ended September 30, 1969, as compared with \$4,847,948 in the same period of 1968, representing an increase of 34%.

Your directors are confident that the growth trend will continue throughout the balance of the current year.

In October 1969, the Company received the proceeds from its initial public offering of shares. A net amount of \$1,228,750 was added to the Company's working capital.

The company has, in conjunction with a major Japanese manufacturer, Sanyo Electric Trading Co. Ltd., finalized its plans for the assembly of television sets in Canada. Your directors expect that the Company will be successful in its participation in the expanding Canadian television market.

MAGNASONIC CANADA LTD.

Interim Statement of Earnings

For the Six Months Ended September 30, 1969

(With Comparative Figures for 1968)

(Unaudited)

	<u>Sept. 30, 1969</u>	<u>Sept. 30, 1968</u>
Revenues.....	\$6,510,099	\$4,847,948
Earnings before taxes	427,363	313,118
Provision for Income taxes.....	217,799	158,842
Net Earnings.....	209,564	154,276
Earnings per share....	21.0¢	15.5 ¢

The earnings per share for 1968 are on a pro-forma basis, had the presently issued shares been issued and outstanding as at September 30, 1968.

On Behalf of the Board

Montreal, Quebec
November 14, 1969.

I. Klein
Chairman